

EMERGENCY SERVICES OPERATING AGREEMENT

2005 through 2010

*THE CITY OF REDMOND, WASHINGTON
KING COUNTY FIRE PROTECTION DISTRICT 34*

Re.
July 2004

**EMERGENCY SERVICES OPERATING AGREEMENT
BETWEEN
THE CITY OF REDMOND AND KING COUNTY FIRE PROTECTION DISTRICT 34**

I. Parties

The parties to this agreement are the City of Redmond, a State of Washington Municipal Corporation, referred to herein as the City, and King County Fire Protection District 34, a State of Washington Municipal Corporation, referred to herein as the District.

II. Purpose

Both parties are authorized under the provisions of RCW 39.34.9080 and 52.08.030 to contract with each other to establish fire prevention, education, suppression, and emergency medical care services for the citizens within their respective boundaries. The purpose of this agreement is to set out terms of such service. Both parties desire to improve the service within their respective boundaries and believe that this will be most efficiently furnished by establishing services on a contractual basis in the manner provided herein.

III. Definition of Terms and Phrases

Apparatus includes fire engines, aid cars, ladder trucks, rescue vehicles, and support and staff vehicles.

Assessed Valuation refers to total assessed value of real property and improvements to real property for tax purposes as determined by the King County Assessor's Office.

Assets include all real property and improvements thereto, and apparatus and equipment normally maintained or utilized in the facilities located in each jurisdiction.

Calls for service are based on the distribution of calls between the District and the City. The 2003 Fire Cost of Services Study was based on 2002 data of the number of calls to which each station responded in the District and in the City. The data excludes calls outside the city or the district boundaries. Aid call data was used for allocating the ambulance budget, and fire call data was used for the suppression budget.

Fire Equipment Reserve refers to a fund that has been established for the Fire Department to replace older vehicles and equipment.

Overhead refers to the regular operating expenses that support city operations. It includes such items as general maintenance and operation, space, computers, human resources, finance, legal support, and insurance. The numbers are based on the 2003 Overhead Study conducted by the Financial Consulting Solutions Group, an external consulting company. Overhead costs relating to city council costs are not included in the overhead charges to the District.

IV. Level of Service

The City shall provide emergency services within the jurisdictional limits of both parties' boundaries pursuant to this agreement and to the extent required by law. In providing such service, the City shall endeavor to maintain a rating from the Washington Survey and Rating Bureau or any successor agency at least as favorable as that which is now held by each of the parties. The Washington Survey and Rating Bureau's current ratings

for the parties at the time of the signing of this agreement are:

City of Redmond – Class 3

King County Fire District 34 – Class 4

Provided, however, that the level of service shall be established through the Fire Department's operational plan adopted as part of the City of Redmond's budgeting process, which shall be approved by the Board of Commissioners and City Council. In preparing the biennial budget for fire services, the City of Redmond shall prepare and/or revise an operational services plan for the District's review. The plan shall define the department's divisional services (administration, operations, training, emergency medical services, prevention, public education, emergency preparedness, apparatus maintenance), report on prior biennial accomplishments, outline the prospective biennium's work plan initiatives by divisional services, and summarize departmental budget and staff resources. Fire services capital needs shall also be included in the plan for district review.

V. Fire Services Forum

Joint meetings between the City's and the District's elected officials shall be known as the Fire Services Forum. All elected officials of the City and District shall meet as necessary, but not less often than semi-annually, to discuss issues of importance or concern to one or both of the parties. These joint meetings will include the Mayor, City Council Members, and Fire District Commissioners. The authority of this group will be consistent with the powers and authority of the elected officials as established by law.

The purpose of the Fire Services Forum is to assist elected officials in providing for the delivery of services under the conditions of this agreement, and serve as a conduit for the exchange of information and discussion of issues of mutual interest.

Forum meetings shall be in compliance with the Open Public Meetings Act, RCW 42.30. Each party shall be responsible for ensuring that the requirements of the Open Public Meetings Act are met. The Fire Chief and his or her designee will serve as staff support to the Forum. The responsibility of staff support is to advise the elected officials on issues concerning the Fire Department. The City will maintain all required records of the forums.

VI. Fire Chief

The Fire Chief shall be an employee of the City under the direction of the Mayor. It is understood that the authority to hire, discipline, commend, or terminate the Fire Chief is the Mayor's. However, inasmuch as the Fire Chief is the primary contact and administrator of services provided to the District, it is in the interest of both parties to allow input into the process of hiring, discipline, commendation, or termination of the Fire Chief. The Mayor shall include the district commissioners, to the extent possible, in the interview process for hiring any new Fire Chief, and shall also include the commissioners in the performance evaluation process by meeting with the district commissioners at least annually to discuss the position and performance of the Fire Chief. Any input by the commissioners may be used in making decisions. The content of any discussion shall remain confidential due to the personnel nature of the discussion. The elected officials shall be notified of any significant decisions regarding the hiring, discipline, commendation, or termination of the Fire Chief prior to the information becoming public.

VII. Administration

A. General. The parties mutually agree:

- 1) To execute all documents necessary to give effect to this agreement.
- 2) The City shall exercise discretion and determination over the quality and quantity of supplies, vehicles, equipment, materials, or character of work performed in the construction, alteration, or repair of any fire service facilities consistent with the operational plan.
- 3) All claims against the other party for compensation for any loss, damage, personal injury, or death occurring on consequence of the performance of this agreement are hereby waived.
- 4) Administration of this agreement shall be the responsibility of the Mayor, under the policies of the governing bodies of the parties to this contract as set forth in the operational plan. Under the direction of the Mayor, the Fire Chief shall implement this agreement to its fullest extent in order to provide the services identified herein.

B) Meetings. The Mayor and/or the Mayor's representative shall meet with the commissioners no less than quarterly as part of the District's regular meetings to ensure that this agreement is being administered in the best interest of both parties and consistent with the operational plan.

C) Modifications. No modification or amendment shall be valid unless evidenced in writing, properly agreed to, and signed by both parties. During the term of this agreement, either party may request in writing to renegotiate specific provisions of the agreement or to settle other differences of the parties. In the event such a request is made, the parties agree to negotiate such provisions in good faith.

In this regard, the parties acknowledge that there may be actions by others that could impact the delivery of emergency services. Such actions may be annexations, incorporations, tax reform, or new county government(s) being formed. It is therefore in the best interest of both parties to fully examine these types of actions and jointly take steps to mitigate or eliminate any negative effects of such actions. To that end it shall be a requirement of the parties to meet and discuss potential actions that could adversely affect either party, and if such action(s) are taken by a third party, it shall be mandatory for the parties to meet and take steps to mitigate or eliminate the impacts for the benefit of both agencies.

A request made under the provisions of this paragraph shall not be considered a notice of intent to terminate the agreement.

D) Dispute Resolution.

- 1) Participation. In the event that any dispute arises between the parties as to the interpretation or application of any term of this agreement, or as to the validity of any claim made by either party against the other as a result of this agreement, and the parties are unable to resolve the dispute through negotiations, the parties agree to participate in a nonbinding, neutral evaluation and mediation of their dispute at a mutually agreeable location prior to commencing legal action. Either party may request that any dispute be submitted to neutral evaluation

M.

and mediation at any time upon the giving of written notice to the other party.

- 2) *Selection of Mediator.* Upon the giving of notice by either party as provided above, the parties shall attempt to select a neutral person to evaluate and mediate the dispute. If, after thirty (30) days, the parties cannot agree on any of the persons named, or if acceptable persons are unable to serve, or if for any reason the appointment of a neutral person cannot be made, either party may terminate the dispute resolution process or the parties may, by agreement, seek other means of resolution.
- 3) *Conflicts of Interest.* Each party shall promptly disclose to the other any circumstances known by it that would cause justifiable doubt as to the independence or impartiality of any individual under consideration or appointed as a neutral mediator. Any such individual shall promptly disclose such circumstances to the parties. If any such circumstances are disclosed, the individual shall not serve as neutral mediator unless both parties agree in writing.
- 4) *Compensation of Mediator.* The neutral mediator's charges shall be established at the time of appointment. Unless the parties otherwise agree, the fees and expenses of the neutral mediator shall be split equally, and each party shall bear its own costs and expenses.
- 5) *Mediation Session.* The mediation session is intended to provide each party with an opportunity to present its best case and position to the other party and the neutral mediator and for the parties to receive opinions and recommendations from the neutral mediator. The neutral mediator shall facilitate communications between the parties, identify issues, and generate options for settlement. The neutral mediator shall also discuss with each party separately the neutral mediator's opinion and evaluation of the strengths and weaknesses of that party's position. The terms of any settlement made by the parties as the result of the mediation shall be set out in a written addendum to this agreement.
- 6) *Confidentiality.* The dispute resolution process identified in this paragraph is a compromise negotiation. The parties agree to maintain in confidence all offers, promises, conduct, and statements, oral or written, made in the course of the mediation by either of the parties, their agents, employees, experts, representatives or attorneys, or by the neutral mediator and agree that the same shall be deemed negotiations in pursuit of settlement and compromise and not admissible or discoverable in subsequent legal proceedings pursuant to Washington Evidence Rule 408. The neutral mediator shall be disqualified as a trial or deposition witness, consultant, or expert of either party.
- 7) *Reservation of Rights.* In the event that the parties are unable to resolve the dispute through the dispute resolution process established in this paragraph, the parties reserve any and all other rights and remedies available to each of them regarding such dispute.

E. *Term of Agreement.* The term of this agreement shall commence upon signature by both parties and shall end on December 31, 2010. The terms and conditions

of this agreement shall be fully renegotiated, and agreement reached regarding renewal or replacement of the agreement, at least six (6) months prior to the expiration date, unless this agreement is previously terminated as provided in Section F, below.

- F. *Early Termination.* This agreement may be terminated prior to December 31, 2010 by either party, effective as of the end of any bi-annual budget period, upon giving written notice thereof to the other party not less than 30 months prior to the end of any bi-annual budget period.

VIII. Assets

- A. *Intent.* It is the intent of this agreement that all such facilities, properties, equipment, and items shall be used for the purpose of this agreement by the City and shall be maintained and insured on substantially the same basis as other property owned and maintained by the City.
- B. *Ownership and Title of Assets.* All fire department assets used throughout the service area shall be titled in the City of Redmond. Any titles to real property, apparatus, and equipment not so vested shall be immediately transferred as part of this agreement.
- C. *Surplus Property.* All proceeds from surplus real property and improvements thereon shall be paid to the jurisdiction in which the real property and improvements are located. All proceeds from surplus personal property shall be paid into the appropriate fire department fund for either capital acquisitions or apparatus replacement. (For purposes of this agreement, Station 12 shall be deemed to be located in the City of Redmond.)
- D. *Division of Assets upon Termination of Agreement.* In the event this agreement is terminated and/or dissolved, real property and improvements thereon shall be transferred to the jurisdiction in which the real property and improvements are located, if not titled in that jurisdiction's name. (For purposes of this agreement, Station 12 shall be deemed to be located in the City of Redmond.) All other assets shall be divided based on the percentage that the value of the assets bears to the percentage of each party's contributions to the department budget averaged over the preceding five years. A third party selected by mutual agreement shall inventory and determine the value of the assets. If the City and District are unable to agree on the third party to inventory and value the assets, the dispute resolution process set forth in Paragraph VII D above shall be utilized to select a third party valuator or a process in which a valuator may be selected.

IX. Financing

- A. *General Obligation Bonds.* Each party shall be responsible for any general obligation bonds it issues or has issued for acquisition of equipment, real property, and improvements for the benefit of emergency services.
- B. *Expense Fund.* The budget shall include expenses for the operation and maintenance of facilities. This shall include general fund expenses, capital improvement program, apparatus replacement fund, as well as overhead costs as agreed to by the City and District, calculated as provided below. Each party will contribute funds to support the operation and maintenance needs of the department on an annual basis and as defined in the department's operational plan, established as part of the bi-annual budget process, pursuant to the formula

M.

established as part of the Cost of Services Analysis, Attachment A, and set forth in the Appendix to said report, Attachment B, and generally described as follows:

- 1) *Suppression, Ambulance, and Facilities:* The cost for each station shall be determined based on staffing levels (Attachment B, Page 4). One-half of the cost of each station shall be fully allocated to the jurisdiction where the station is located. The remaining half shall be divided between the City and District based on the percentage of calls for service that each jurisdiction receives from that particular station. Provided that when no historical data exists, such as for station changes (openings and closures), cost contributions shall be based on projected run data developed by the Fire Department.
 - 2) *Emergency Preparedness, Fire Prevention/Investigation, and Public Education:* Consistent with the prior studies, the budget shall be allocated 90% to the City and 10% to the District, reflecting the benefit received by each jurisdiction (Attachment B, Page 4).
 - 3) *Training and Citywide Overhead:* These expenses shall be allocated based on staffing as set forth in Attachment B, Page 4. The Fire Department's portion of citywide overhead shall be based on the 2003 Overhead Study conducted by Financial Consulting Solutions Group, an external consulting company (Attachment C).
 - 4) *Capital Improvement Program:* Each project shall be allocated based on project location and benefit, and allocations shall be determined on a project-by-project basis, provided however that projects and estimated costs shall be approved by each jurisdiction prior to being added to the Capital Improvement Program (Attachment B, Page 11).
 - 5) *Vehicle Maintenance and Replacement:* These costs shall be distributed based on a combination of factors: vehicle function (i.e., suppression, prevention), location, and calls (Attachment B, Pages 8 and 9).
 - 6) *This cost allocation analysis shall be completed as part of the biennial operational services plan review and budget preparation.*
- C. *District Budget.* In a separate budget, the District shall provide for payment of salaries and expenses of the commissioners, the cost of state examinations, elections, and other expenses peculiar to the District as a separate legal entity. These expenses shall be paid out of district revenues and shall not be considered part of this Agreement.
- D. *Annual Budget Reconciliation.* Following the year-end financial report, the District shall be responsible for contributing additional funds based on actual expenditures, including advanced life support costs as needed. The District's additional contribution towards actual expenditures shall be determined based on the same methodology used to define the District's budget contributions.
- E. *District Credits.* The District shall receive the following as credits against its payments to the City:
- 1) 90% of the costs of salary and benefits of the District's administrative employee assigned to the City (Attachment D);

- 2) That portion of King County Emergency Medical Services funds received by the City and attributable to the District (Attachment E);
- 3) For the year 2005, the District shall also receive a payment credit for the asset transfer funds made by the District on behalf of the City of Sammamish and for funds paid by the City of Sammamish and Eastside Fire and Rescue to the City of Redmond for fire protection and emergency services.

X. Capital Improvements

Both parties shall contribute funds toward capital improvement projects as provided in Section VIII B of this agreement, but the City shall be responsible for utilizing such funds to design and construct said projects. Capital improvements shall be identified in the City of Redmond's Capital Improvement Program and/or Capital Facilities Plan. In the event of dissolution of this agreement, the District shall be entitled to all unexpended contributions made together with interest thereon.

XI. District Employee

The District shall retain one full-time employee who shall be assigned to the Fire Department and who shall act under the authority of the Fire Chief or designee.

XII. Insurance

The District shall maintain liability insurance. The City shall maintain liability, property, and casualty insurance on all personnel, facilities, apparatus, and other assets as needed and shall include each other as a named additional insured. The City shall provide proof of insurance to the District when requested.

XIII. Severability

If any provisions of this agreement or its application are held invalid, the remainder shall not be affected.

XIV. Notices

All notices provided for in this agreement shall be in writing, signed by an authorized official, and sent either by registered or certified mail, return receipt requested.

A. Notice to the City of Redmond shall be sent as follows:

City of Redmond
Attn: Mayor
15670 N.E. 85 Street
P.O. Box 97010
M/S CHEX
Redmond, WA 98073-9710

B. Notice to Fire District 34 shall be sent as follows:





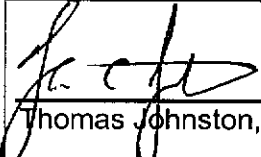
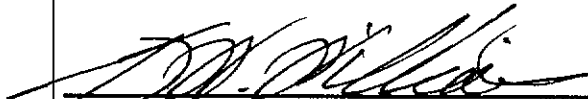

King County Fire District 34
Attn: Chairperson
8450 161st Avenue N.E.
Redmond, WA 98052



XV. Enforcement

Should either party bring suit against the other to enforce any provision of this Agreement or to redress any breach thereof, the prevailing party in such litigation shall be entitled to recover its costs and reasonable attorney's fees. No action shall be commenced prior to completion of the dispute resolution process set forth in section VII D above. Any such action shall be brought in the Seattle Division of King County Superior Court.

Dated this 2 day of ^{September}~~July~~ 2004

King County Fire Protection District 34	City of Redmond, Washington
 Russell Carley, Chair	 Rosemarie Ives, Mayor
 Sherman Colson, Commissioner	 Bonnie Mattson, City Clerk
 Thomas Johnston, Commissioner	
Approved By:  Kinnon W. Williams, District Attorney	Approved By:  James Haney, City Attorney

EMERGENCY SERVICES OPERATING AGREEMENT
BETWEEN
THE CITY OF REDMOND AND KING COUNTY FIRE PROTECTION DISTRICT #34

List of Attachments:

Attachment A – Cost of Services Analysis June 2004



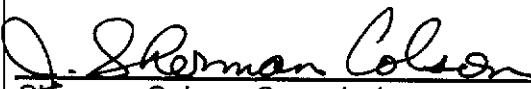
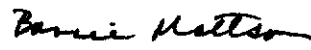
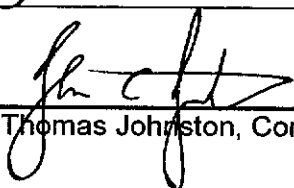
Attachment B – Hybrid Cost Allocation Model (50% location and 50% calls)

Attachment C – Overhead Allocation Analysis and Formula

Attachment D – Credit Calculation Formula – District Administrative Position

Attachment E – Credit Calculation Formula – BLS and ALS Funds

The Attachments and Exhibits thereto are approved this 2 day of ^{September} ~~July~~ 2004.

King County Fire Protection District 34  _____ Russell Caney, Chair	City of Redmond, Washington  _____ Rosemarie Ives, Mayor
 _____ Sherman Colson, Commissioner	 _____ Bonnie Mattson, City Clerk
 _____ Thomas Johnston, Commissioner	

Attachment A – Cost of Services Analysis June 2004

**CITY OF REDMOND AND FIRE DISTRICT 34
COST OF SERVICES ANALYSIS
REVISED JUNE 2004**

INTRODUCTION

The City of Redmond (the City) and Fire District 34 (the District or FD 34) have enjoyed a contractual relationship since 1974. The jurisdictions have worked together over the years to provide their citizens with fire and emergency medical services through the City of Redmond's Fire Department. Currently there are six stations which serve the combined area: three in the City (Stations 11, 12 and 16) and three in the District (Stations 13, 14, and 15), all of which are fully staffed with paid fire fighters and emergency medical personnel. The District pays the City a total of \$6.3 million per biennium for fire and emergency medical services. Included in this amount is an additional contribution of \$590,000 as a result of agreements to pay for 100% of 2 FTEs added in 1996 and approximately 65% of 3 FTEs added in 2003. In addition, the City receives approximately \$500,000 annually through 2005 from the District on behalf of the City of Sammamish in recognition of the value of transferred assets at the time of incorporation. The current contract, which expires December 31, 2004, allows for an extension by mutual agreement of both parties.

The City also has a contractual relationship with the City of Sammamish and Eastside Fire and Rescue (EF&R) in which the City provides fire services to the north end of Sammamish. Currently the City receives a total of \$2.4 million biennially relating to this contract, which includes \$336,000 from the City of Sammamish, \$1 million from Eastside Fire and Rescue, and \$1 million as asset transfer credits from FD 34 as noted above. This contract expires December 31, 2005. At this time it is unknown if Sammamish and Eastside Fire and Rescue will continue to contract with the City, and if so at what level.

Given that the contracts of both the District and Sammamish will expire at the end of 2004 and 2005 respectively, and because the amount paid by the City and FD 34 to maintain the current level of service is inevitably impacted by other revenues available, the City and the District decided that an update of the Cost of Services model was appropriate at this time.

1993 AND 2000 COST OF SERVICES ANALYSIS

The purpose of the Cost of Services Analysis is to evaluate the cost of providing fire and emergency medical services to the City of Redmond and Fire District 34. This analysis also lays the groundwork for allocating costs between the jurisdictions.

In the past, the Cost of Services Analysis was conducted twice, in 1993 and 2000. The 1993 model was based mostly on call distribution. This study established the foundation for how costs are currently shared between the City and FD 34. However, because of

pc

work required to update the call data every year, the City and the District agreed to use the assessed valuation ratio between the two jurisdictions as a proxy for allocating costs because it closely mirrored the 1993 study results.

The 2000 model was based on a number of factors including assessed valuation, square miles, population and calls, and was used exclusively to determine the amount to charge the City of Sammamish and Eastside Fire and Rescue (EF&R) for fire and emergency medical services. It is important to note that no adjustments were made to the cost sharing arrangement between the City and FD 34 as a result of the 2000 study except as it related to the City of Sammamish incorporation.

2003/2004 COST OF SERVICES ANALYSIS

As in prior updates, a small committee consisting of representatives from the City and District was formed to oversee the 2003-2004 update. Committee members included:

- John Ryan, Fire Chief
- Loren Charlston, Deputy Fire Chief
- Tom Johnston, Fire District 34 Commissioner
- Dick Radtke, Fire District 34 Consultant
- Jane Christenson, Mayor's Office
- Lenda Crawford, Finance Director
- Cherie Sato, Senior Financial Analyst
- Bonnie Herrling, City of Redmond Consultant

The role of the Committee was to identify and review 1) study objectives, 2) prior allocation models, 3) allocable expenses, 4) cost allocation alternatives, 5) best practices of other agencies, and 6) future fire service challenges and determine the most appropriate assumptions to use for the 2003-04 update.

1) Study Objective

The study team determined that the objective of the study was two-fold:

- i) Determine the full cost of providing fire and emergency response services in the Redmond and Fire District 34 service area, excluding the City of Sammamish and Eastside Fire and Rescue. Sammamish and Eastside Fire and Rescue were excluded from this study because at this time it is unknown if Sammamish will continue to contract with the City, and if so at what level.
- ii) Develop a methodology for allocating expenses based on full cost recovery between Redmond and FD 34 which captures both usage and jurisdictional accountability. This methodology best captures the way the combined fire service works, as well as the financial responsibility the City and District individually bear for services within their jurisdiction.

Me.

This study does not attempt to measure the cost each jurisdiction would incur if the contract did not exist, the entities' ability to pay, or any resources received for fire-related services from other entities. Please note that all figures quoted in this analysis are for a two-year period consistent with how the City budgets, and reflect fiscal year 2003-04 cost estimates.

2) Prior allocation models - 1993/2000 study methodologies

After a cursory review of the 1993 and 2000 cost of services models, the study team determined that these earlier methods no longer represent the best way to allocate expenses due to the many changes that have occurred over the last 10 years in both the City and FD 34. Those changes include the opening of Station 16 including a maintenance facility, staffing of Station 14, and the incorporation of the City of Sammamish. In addition, the 1993 study was based primarily on call distribution between the City and the District and did not take into account jurisdictional accountability. The 2000 update, which used many different factors such as calls for service, assessed valuation, and square miles, did not change the cost sharing methodology between the City and the District. Rather, it was only used to the extent necessary to determine the amount to charge the City of Sammamish.

3) Allocable expenses

To insure full cost recovery, the Committee concluded that allocable expenses between the City and FD 34 should include total budgeted expenses for operations, the Fire Department's portion of citywide overhead, equipment maintenance and replacement, and capital improvement projects. These expenses are based on the 2003-04 budget and total approximately \$27.1 million.

4) Cost allocation alternatives

The committee reviewed four different methods for allocating expenses between the City and FD 34.

- Calls for service between the City and FD 34, which measure usage.
- Location and staffing levels at City and District stations that act as a gauge in allocating costs by agency to reflect jurisdictional accountability.
- A hybrid method which takes into consideration both usage and jurisdictional accountability.
- Assessed valuation (AV) of property within the City and FD 34. Although assessed value has served as a proxy for how costs are shared between the City and District, it does not mirror the operational realities of fire service, nor does it hold individual agencies accountable for the financial and service decisions they make.

me.

5) "Best practices" of other agencies

As part of the data collection process, the committee reviewed practices of the following entities as to their appropriateness for comparison with Redmond:

- City of Sammamish / Eastside Fire and Rescue
- City of Kirkland / Fire District 41
- City of Bellevue

While other agencies considered calls for service, location and staffing by station, assessed valuation and other factors in allocating costs, the study team determined that no single cost allocation methodology provided the best "fit" for how the City and the District have traditionally partnered on the provision of fire and life safety services for their citizens.

Instead, analysis of the methodologies used by others suggested that a "hybrid" methodology would be most appropriate for sharing costs in the future. Specifically, a hybrid cost allocation methodology could accurately reflect the collaborative nature of the City/District relationship, while still providing for individual jurisdictional accountability for the service, staffing and fiscal decisions made by each agency. To this end, the hybrid methodology proposes to allocate costs between the City and District based on call distribution data, station location, and staffing levels. Thus it reflects how the combined fire service works, as well as the financial responsibility the City and District individually bear for services within their jurisdictions.

6) Future fire service challenges

Although future challenges for fire services were discussed by the committee, the committee decided not to include them in the financial model due to the many unknown factors surrounding those issues. Future fire service challenges reviewed by the committee included the expiration of the fire/emergency medical services contract with Sammamish on Dec 31, 2005, the potential opening of new fire stations on NE Education Hill and Novelty Hill Road, and the possibility of other incorporations, annexations, or other tax measures that may limit either agency's ability to fund services in the future.

Future incorporations and annexations are of particular concern given that King County has recently offered incentives to cities to annex unincorporated areas of the county, which may adversely affect both FD 34's service area and its revenues. The District is surrounded by several cities including Redmond, Kirkland, Sammamish and Woodinville, some of which may be interested in annexing a portion of the District. At this time, no major incorporations or annexations are expected, but the City and the FD 34 will continue to monitor this situation closely. As of this writing, there may also be a November initiative (Initiative 860) to limit property taxes by 25%, a measure that could significantly impact both jurisdictions.

me.

GUIDING PRINCIPLES AND ASSUMPTIONS

Before allocating expenses, the committee had to agree on the guiding principles and assumptions for the study. Listed below are the guiding principles and a brief summary of methodologies for allocating expenses for certain types of costs. Please refer to the appendix for more detail regarding specific assumptions applied to each budget line item.

Guiding principles

- The City of Sammamish and Eastside Fire and Rescue will be excluded from this study because it is not known at this time if Sammamish will continue to contract with Redmond for service, and if so at what level.
- A hybrid cost allocation method would be used which captures usage as well as jurisdictional accountability of each party. Calls for service between the City and District will be used to measure usage. Jurisdictional accountability will be measured by location and firefighter staffing levels at the various stations. Please note that the proposed methodology is different from the ones used in the 1993 study and the 2000 update, as discussed above.
- The study would not reflect any future fire service challenges such as the opening of new stations on NE Education Hill and Novelty Hill Road or the possible incorporations and annexations of parts of the District's service area.
- The study should not attempt to measure the cost each jurisdiction would incur if the contract did not exist, the entities' ability to pay, or any resources received for fire-related services from other entities.

Methodology for allocating specific line-items

- Suppression, Ambulance and Facilities: These costs, which represent the largest share of the Fire Department budget, were allocated in multiple steps using the hybrid methodology. First, costs were assigned to each station based on staffing levels. Secondly, one half of the cost of each station was fully allocated to the jurisdiction where the station is located. In the final step, the remaining half was divided between the City and District based on each station's calls for service.
- Emergency Preparedness, Fire Prevention/Investigation and Public Education: Consistent with the prior studies, the budget was allocated 90% to the City and 10% to the District, reflecting the benefit received by each jurisdiction. The majority of these services is provided to Redmond constituents, as many of these services in the District are the responsibility of King County. However, the District also receives small benefits in the form of presentations at schools, Community Action Teams and fire investigation duties when King County Fire Marshal's office is too busy to respond in a timely manner.
- Training and City-wide Overhead: These expenses were allocated based on total staffing by jurisdiction. The Fire Department's portion of city-wide overhead is based on the 2003 Overhead Study conducted by Financial Consulting Solutions Group, an external consulting company. ~~the Department's overhead was~~

me.

allocated to City and District based on total staffing except for legislative overhead which was fully allocated to the City.¹

- Capital Improvement Program: Each project was allocated based on project location and benefit, and allocations were determined on a project-by-project basis.
- Vehicle Maintenance and Replacement: These costs were distributed based on a combination of factors: vehicle function (i.e., apparatus, prevention), location, and calls.

STUDY RESULTS

This section summarizes the result of the 2003-2004 Cost of Services Study. The estimates shown reflect the hybrid methodology that allocates costs using the weighting factors of 50% jurisdictional accountability (staffing location) and 50% usage (calls). While the upcoming negotiations will determine the ultimate amount that will be paid by the City and FD 34, the Committee feels that this methodology is a fair representation of the way the combined fire service works, as well as the financial responsibility the City and District individually bear for services within their jurisdiction.

Of the \$27.1 million of allocable expenses for 2003-04, the City's share is \$18.0 million and FD 34's share is \$9.0 million. This compares to the fiscal year 2003-04 budgeted City contribution of \$18.5 million and the FD 34 contribution of \$7.3 million (including the asset credit). Assuming no future payments from other parties such as the City of Sammamish and EF&R (which currently totals \$1.3 million), the City's payment decreases by \$400,000 and FD 34's payment increases by \$1.8 million for the biennium compared to the current budget.

nc.

¹ The overhead was revised during negotiations in June 2004 to allocate legislative overhead fully to the City.

Biennial Financial Impact of Hybrid Model
50% Location - 50% Calls

	Cost of Services Analysis	2003-04 Current Budget	Difference
FD 34	\$ 9,038,155 *	\$ 6,255,406	\$ 2,782,749
FD 34 Asset Credit	\$ -	\$ 1,023,944	\$ (1,023,944)
EF&R	\$ -	\$ 1,000,000	\$ (1,000,000)
Sammamish	\$ -	\$ 335,788	\$ (335,788)
EF&R and Samm Subtotal	\$ -	\$ 1,335,788	\$ (1,335,788)
City of Redmond	\$ 18,043,784 *	\$ 18,466,801	\$ (423,017)
Total	\$ 27,081,939	\$ 27,081,939	\$ -

* Revised in June 2004 to allocate legislative overhead fully to the City.

The study team understands that to ensure the hybrid methodology continues to be the best "fit" for our partnership, it must be re-evaluated as circumstances change for either party. To accomplish this, the study team proposes that the allocation be reviewed every two years as part of the biennial budget process and the development of an operational plan. This plan would highlight any cost or allocation changes for the Council and for Commissioners so that all parties would understand how costs and/or the allocation of costs may change over time.

THE DIFFERENCE BETWEEN 1993 AND 2003 RESULTS

The difference in the cost allocation between the 1993 model and the 2003 model can be attributed to four main factors, each of which is described in greater detail below:

- 1) Proposed changes in methodology
 - The earlier model was heavily based on calls for service. The new hybrid reflects jurisdictional accountability and calls for service.
- 2) Firefighter staffing increased in the District faster than in the City
- 3) Incorporation of the City of Sammamish
- 4) Overall operational cost increases
 - Significant cost increases per FTE due to inflation, labor contracts, overtime, medical insurance costs, and unfunded mandates.

1) Changes in methodology

The 1993 model relied heavily on total call volume data to allocate expenses. In the current study, the committee agreed that the call data alone do not capture jurisdictional accountability for both the City and the FD 34. Rather, a hybrid model was suggested to capture both components.

Mc.

There are significant differences between call distribution and staffing distribution between the two parties. While the City has a significantly larger share of calls than the District (89% City vs. 11% District), staffing levels are very close for the two entities (57% City vs. 43% District). As a result of incorporating jurisdictional accountability (staffing levels by station) in the study in addition to usage (calls), each entity's share of the total cost changed from the previous study.

2) Staffing increase

As summarized in the following table, staffing increased in the District faster than that seen in the City. Firefighter staffing distribution has changed since 1993 from 62% City, 38% District to 57% City, and 43% District in 2003. In 1993 Station 14 in FD 34 was staffed with volunteers, and Station 16 in the City did not exist. By staffing those stations, 12 firefighters were added to FD 34 (an increase of 50%), while staffing at City stations increased by 9 FTEs or 23%. It is important to note that the District currently contributes additional \$590,000 per biennium in agreements to pay for 100% of the 2 FTEs added in 1996 and 65% of 3 FTEs added in 2003.

<u>Changes in Firefighter Staffing Distribution: 1993 - 2003</u>				
	<u>1993</u>		<u>2003</u>	
	FTEs	% of Total FFs	FTEs	% of Total FFs
City Stations				
11	27		24	
12	12		12	
16	-		12	
City subtotal	39	62%	48	57%
FD 34 Stations				
13	12		12	
14	-		12	
15	12		12	
FD 34 subtotal	24	38%	36	43%

3) Incorporation of Sammamish

The incorporation of the City of Sammamish on August 30, 1999 has had a significant impact upon FD 34. This incorporation reduced the District's service area and its assessed valuation. The service area was reduced from 34.5 square miles to 28.0 square miles or nearly 20%. FD 34's AV also declined by \$623 million or 22% in 2000.

The service area reduction has led to a decline in call volumes in the District and has affected the distribution of calls between the City and District. In 1993 the call

He

distribution was 82% City and 18% District. In 2003 the City's share of calls has increased to 89% and the District's share has declined to 11%.

The reduction in assessed valuation has also had similar effects. The AV ratio has changed from almost one-third for FD 34 and two-thirds for the City in 1993 to one-quarter and three-quarters respectively in 2003. In addition, the lower assessed value in the District has also reduced its property tax capacity, which will make it difficult to raise additional revenues in the future. Although assessed value has served as a proxy in the past for allocating costs between the two agencies, the committee determined that it did not mirror the operational realities of the service, nor did it hold individual agencies responsible for the financial and service decisions they make.

Currently the City has a contract with Sammamish and EF&R to provide services to the north end of the Sammamish Plateau which will expire in 2005. Funding from this contract, which is approximately \$1.3 million per biennium, has been excluded from this analysis because it is not known if Sammamish will continue to contract with the City and District and, if so, at what level. The table below summarizes the changes seen from 1993 to 2003 between the City and District in the areas of staffing, call distribution and AV.

<u>Summary of Changes: 1993 - 2003</u>			
		<u>City</u>	<u>FD 34</u>
Staffing	1993	62%	38%
	2003	57%	43%
Call Distribution	1993	82%	18%
	2002	89%	11%
AV	1993	68%	32%
	2003	75%	25%

4) Operational Cost / CIP Increases

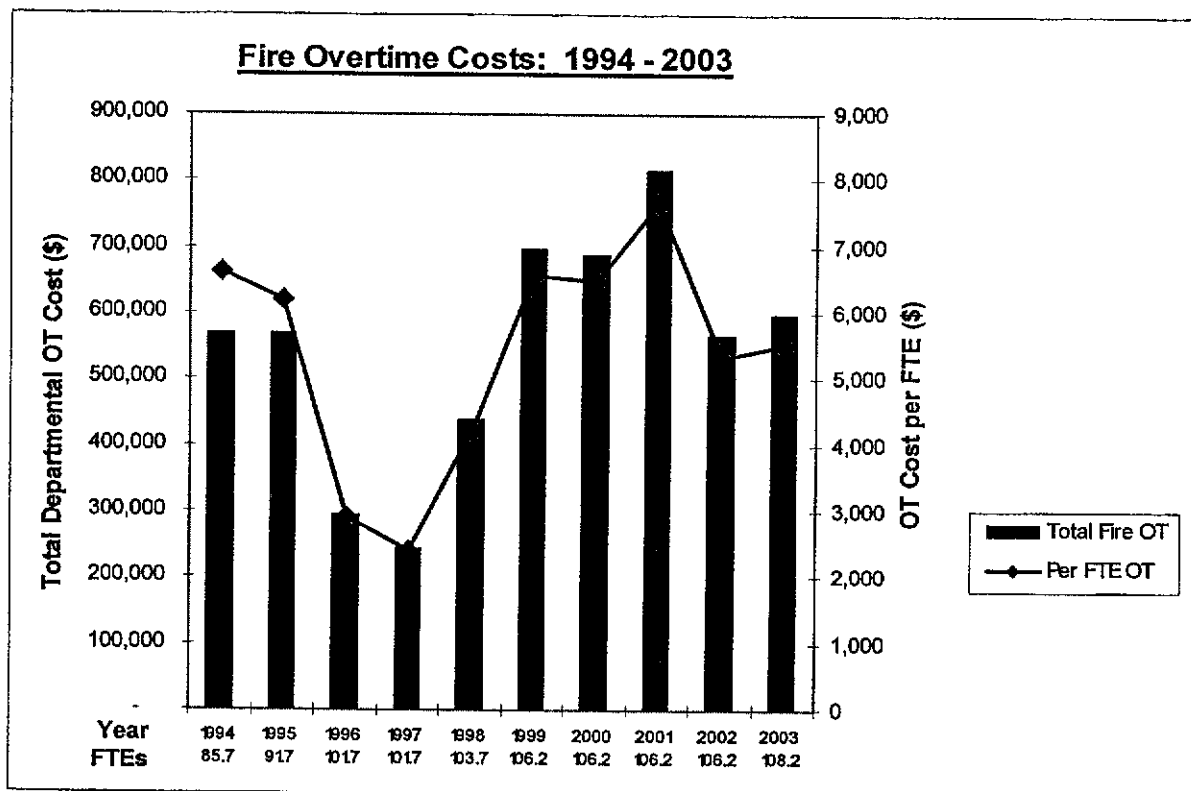
The overall cost increases for the Fire Department are another driver in the changes experienced between 1993 and 2003. This can be attributed both to the department's growth and to operational cost increases.

Over the last 10 years, the Fire Department's budget nearly doubled. The Fire Department staffing grew from 84.5 FTE in 1993 to 108.2 FTE in 2003, an increase of 28%. The increase in FTEs mainly reflects staffing of stations 14 and 16. In addition to staffing increases, operational costs increased due to inflation, wage and salary adjustments, and health benefit costs. As shown in the chart below, actual costs for salary and health benefit costs have increased faster than national and regional trends between 1994 and 2003.

Mc.

Per-FTE Annual Cost Increases: 1994 - 2003				
	City's cost increase per employee		National/Regional	
	(\$)	(%)	Trends (%)	Source
Salary	\$ 16,976	35%	31%	CPI in Puget Sound area
Health Insurance	\$ 4,895	105%	55%	Employer Cost for Employee Compensation Index for state and local government health insurance cost

Since 1997, both total departmental overtime and overtime cost per FTE have grown rapidly. New employees were added in 1995 and 1996, which temporarily reduced overtime costs. However, since that time costs have more than doubled.



Due to factors such as inflation, salary adjustments, medical insurance premium increases and overtime, the cost of a firefighter at the top step increased from \$66,000

per employee in 1994 to \$91,000 in 2003. Please note that the 2003 figure represents 2001 salaries as the labor contract has not been settled. It does not include anticipated salary adjustments for 2002 and 2003, which at this time are pending the outcome of arbitration.

The previous cost of services analyses also did not include the CIP, which amounts to \$1.9 million for the 2003-2004 biennial budget. For the 2003 study this \$1.9 million was allocated on an individual project location basis, and the total split was 51% City, 49% FD 34.

In summary, the differences in the cost allocation between the 1993 and 2003 models are attributable to four main factors:

- Proposed changes in methodology
- Firefighter staffing increasing in the District faster than in the City
- Incorporation of the City of Sammamish
- Overall operational cost increases

These differences reflect how much has changed since the original 1993 study, and why the allocation methodology warranted further update and review.

CONCLUSION

Throughout the cost of services study, the City of Redmond and Fire District 34 analyzed the various methodologies used by other fire agencies as to their appropriateness for Redmond. The committee decided that a hybrid model, which captures both jurisdictional accountability and usage, represents the best fit for the City and District partnership. This cost allocation method will be reviewed as part of the biennial budget process or as circumstances change.

While the findings presented in this cost of services study represent the study team's efforts to date, it is important to reiterate that there are several future fire service challenges that may impact the relationship between the City and the District in the future. Each of these challenges and their possible impacts are described more fully below:

- City of Sammamish. Following the City of Sammamish's incorporation in 1999, the City of Redmond, Fire District 34, the City of Sammamish and EF&R negotiated an agreement that provided for continued services until December 31, 2005. For these services, the City of Sammamish and EF& R pay the City of Redmond \$1.3 million biennially. As of this writing, it is unknown if the City of Sammamish will continue to contract for services beyond the end of the current agreement and if so, at what level. Without a future agreement, there would be a significant loss of funding for fire services regardless of cost allocation methods, necessitating alternative funding or operational changes commensurate with the funding loss.

Mc

- **Future Stations.** For several years, the City and Fire District 34 have been in discussions regarding future stations, to be located on North Education Hill and in the urban planned development (UPD) area east of Redmond. Once the stations are built and staffed, there will be a continued significant operational cost to be borne by either the City or the District. These costs may also increase significantly, pending the outcome of the fire labor arbitration that will not be known until later in 2004.
- **Revenue Limitations.** In light of the added costs noted above, it is also worthwhile to note the potential future revenue limitations facing the City and Fire District 34. Beyond the voter initiatives approved in recent years, the state's proposal to streamline sales taxes and the potential voter initiative to reduce property taxes by 25% may pose a significant challenge to funding future fire service needs.

SETTING THE STAGE FOR CONTRACT NEGOTIATIONS

As noted earlier in this report, the purpose of the cost of services study is to:

- i) Determine the full cost of providing fire and emergency response services in the service areas of the City and FD 34, and
- ii) Develop methodology for allocating expenses between the City and FD 34 based on full cost recovery.

This study does not attempt to measure the cost each jurisdiction would incur if the contract did not exist, the entities' ability to pay, or any resources received for fire-related services from other entities.

Upon City Council and Commissioners' review of and concurrence with the study findings, the analysis described herein will inform the ensuing contract negotiations for services beyond 2004. Any tentative agreement reached between the parties will be subject to City Council review and approval of the terms of the continued partnership between the City and Fire District 34 for fire and life safety services for their citizens.

Attachment B –Hybrid Cost Allocation Model (50% location and 50% calls)

Mc.

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

Revised: June 2004

SUMMARY

	2003 - 2004 BUDGET \$	FIRE DIST 34 ALLOCATION %	REDMOND ALLOCATION %	ALLOCATION BASIS
Expenditures:				
Fire Suppression*				Exhibit I Staffing, Exhibit II Call Distribution, and Exhibit III Cost Pool Allocation. The base budget is divided into stations based on staffing. Then one half of the cost of each station is fully allocated to either the city or to the district based on location of the station. The remaining half was divided between the City and District based on Fire call distribution.
Station 11	2,143,098	2.36%	50,554	2,092,544
Station 12	1,071,549	0.09%	917	1,070,632
Station 13	1,071,549	72.20%	773,701	297,848
Station 14	1,071,549	87.70%	939,801	131,748
Station 15	1,071,549	80.22%	859,594	211,955
Station 16	1,071,549	4.27%	45,770	1,025,780
Total Fire Suppression	7,500,844	35.60%	2,670,338	4,830,507
Regular Ambulance*				Exhibit I Staffing, Exhibit II Call Distribution, and Exhibit III Cost Pool Allocation. The base budget is divided into stations based on staffing. Then one half of the cost of each station is fully allocated to either the city or to the district based on location of the station. The remaining half was divided between the City and District based on Aid call distribution.
Station 11	1,598,268	0.49%	7,814	1,590,453
Station 12	799,134	0.06%	476	798,658
Station 13	799,134	70.42%	562,783	236,351
Station 14	799,134	80.63%	644,347	154,787
Station 15	799,134	81.52%	651,468	147,666
Station 16	799,134	4.07%	32,501	766,633
Regular Ambulance	5,593,937	33.95%	1,899,388	3,694,548
Emergency Preparedness Services	205,978	10.00%	20,598	185,380
Fire Prevention/Investigation	2,695,827	10.00%	269,583	2,426,244
Public Education	198,294	10.00%	19,829	178,465

* The budget includes salary and benefit contingency.

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

Revised: June 2004

SUMMARY

	2003 - 2004 BUDGET \$	FIRE DIST 34 ALLOCATION %	REDMOND ALLOCATION %	ALLOCATION BASIS
Facilities:				
Station 11	150,233	1.16%	1,739	148,494
Station 12	64,997	0.07%	46	64,951
Station 13	64,324	71.14%	45,762	18,562
Station 14	59,537	83.14%	49,499	10,038
Station 15	65,329	81.00%	52,919	12,410
Station 16	82,612	4.19%	3,459	79,153
Maintenance Facility	26,653	14.83%	3,953	22,700
Total Facilities	513,685	30.64%	157,377	356,308
City/District Equipment Maintenance	165,372	28.29%	46,777	118,595
Eastside Equipment Maintenance	150,000	0.00%	0	150,000
Fire Equipment Reserve:	522,000	35.85%	186,068	335,932
Training	4,673,959	37.12%	1,734,808	2,939,151
Sub-total Non-Administrative	22,219,896	31.52%	7,004,767	15,215,129

Exhibit I Staffing, Exhibit II Call Distribution, and Exhibit III Cost Pool Allocation. The base budget is divided into stations based on staffing. Then one half of the cost of each station is fully allocated to either the city or to the district based on location of the station. The remaining half was divided between the City and District based on total call distribution.

City's portion of maintenance facility cost include 100% of the Eastside Maintenance Contract.

Exhibit IV - Vehicle Maintenance Schedule

District has no responsibility for this cost.

Exhibit V - Vehicle Replacement Schedule

Exhibit I - Staffing Allocation.

All personnel receives the same training.

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

Revised: June 2004

SUMMARY

	2003 - 2004 BUDGET \$	FIRE DIST 34 ALLOCATION		REDMOND ALLOCATION		ALLOCATION BASIS
		%	\$	%	\$	
Administration:						
Fire	541,782	42.86%	232,192	57.14%	309,590	Exhibit I - Staffing Allocation of fire fighters.
Ambulance	89,377	42.86%	38,304	57.14%	51,073	Exhibit I - Staffing Allocation of fire fighters.
Overhead w/o legislative **	2,297,269	37.12%	852,665	62.88%	1,444,604	Exhibit I - Staffing and Exhibit VI - 2003-2004 Overhead.
Overhead legislative **	50,323	0.00%	0	100.00%	50,323	
Total Administration	2,978,751	37.71%	1,123,162	62.29%	1,855,589	
Total General Fund/Overhead	25,198,647	32.26%	8,127,928	67.74%	17,070,719	
Other Funds:						
CIP	1,883,292	48.33%	910,227	51.67%	973,065	Exhibit VII - 2003-2004 CIP
TOTAL EXPENDITURES	\$27,081,939	33.37%	\$9,038,155	66.63%	\$18,043,784	As shown in the Cost of Services Study.
Credits for the District***						
Credit for Administrative Employee	(90,540)	90.00%	(81,486)	0.00%	0	Expenses incurred by District. See Appendix D for detail
Credit for EMS levy	(800,000)	18.84%	(150,707)	81.16%	(649,293)	Revenues received by City. See Appendix E for detail
Net Payment after Credits			\$8,805,962		\$17,394,491	

** Revised to allocate the City's legislative overhead solely to the City. Other overhead charges are allocated based on total staffing.

*** Credits were negotiated after the cost of services analysis was completed. In addition, for 2005 only, the District will receive credits for the asset credit payment and payments made by Eastside Fire and Rescue and the City of Sammamish.

Tom H. 7/22/04
Fire District 34 Initial Date

JC 9/2/04
City of Redmond Initial Date

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT I: STAFFING ALLOCATION

Location	Total FTEs	Percentage of Total Divisional Staff	District % of Total	District Utilized FTEs	City % of Total	City FTEs
Firefighters						
Station 11	24	28.57%	0.00%	0.00	100.00%	24.00
Station 12	12	14.29%	0.00%	0.00	100.00%	12.00
Station 13	12	14.29%	100.00%	12.00	0.00%	0.00
Station 14	12	14.29%	100.00%	12.00	0.00%	0.00
Station 15	12	14.29%	100.00%	12.00	0.00%	0.00
Station 16	12	14.29%	0.00%	0.00	100.00%	12.00
Subtotal	84	100.00%	42.86%	36.00	57.14%	48.00
Administration:						
Chief	1	4.12%	42.86%	0.43	57.14%	0.57
Deputy Chief	2	8.25%	42.86%	0.86	57.14%	1.14
Emer Prep Coord	1	4.12%	10.00%	0.10	90.00%	0.90
Admin Supervsr.	1	4.12%	0.00%	0.00	100.00%	1.00
Off. Tech	0.75	3.09%	42.86%	0.32	57.14%	0.43
Training	2	8.25%	42.86%	0.86	57.14%	1.14
Admin Asst Train	0.5	2.06%	42.86%	0.21	57.14%	0.29
Mechanic	1	4.12%	0.00%	0.00	100.00%	1.00
Assistant Mech	1	4.12%	0.00%	0.00	100.00%	1.00
Fire Insp/Inv	13	53.61%	10.00%	1.30	90.00%	11.70
Pub Inf Officer	1	4.12%	10.00%	0.10	90.00%	0.90
Subtotal	24.25	100.00%	17.23%	4.18	82.77%	20.07
Total All Staff	108.25		37.12%	40.18	62.88%	68.07

Assumptions:

Fire Fighters are shown by location

Administrative is allocated by the percentage of Fire Fighters

Emergency Preparedness, Prevention/Inspection and Public Information staff are allocated by usage

M.

7/13/2004

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT II: CALL DISTRIBUTION SUMMARY BASED ON 2002 CALLS

FIRE RESPONSE						AID CALLS				TOTAL CALLS			
Station	City	City %	District	District %	Total Fire	City	City %	District	District %	Total Aid	Total	% City	% District
11	1030	95.28%	51	4.72%	1081	1924	99.02%	19	0.98%	1943	3,024	97.69%	2.31%
12	583	99.83%	1	0.17%	584	839	99.88%	1	0.12%	840	1,424	99.86%	0.14%
13	169	55.59%	135	44.41%	304	265	59.15%	183	40.85%	448	752	57.71%	42.29%
14	15	24.59%	46	75.41%	61	43	38.74%	68	61.26%	111	172	33.72%	66.28%
15	36	39.56%	55	60.44%	91	51	36.96%	87	63.04%	138	229	37.99%	62.01%
16	546	91.46%	51	8.54%	597	384	91.87%	34	8.13%	418	1,015	91.63%	8.37%
Grand Total	2,379	87.53%	339	12.47%	2,718	3,506	89.94%	392	10.06%	3,898	6,616	88.95%	11.05%

Assumptions:

For the analysis of costs assigned to the City of Redmond and Fire District 34, only calls between these two areas have been used. The percentage allocation is based on the total of the City and District. It is assumed the "Other" calls would be allocated in the same proportion.

Mc.

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT III: COST POOL ALLOCATION (50% - location and 50% - call distribution by type)

Fire Suppression Budget Allocation

Variables/Assumptions:

Budget \$7,500,844 Location 50.00% Calls 50.00%

Stations:	2003-2004 Budget based on number of FFs	Allocation based on staffing location		Allocation based on fire calls				Total Percent Allocation by Station		Total Cost Allocation by Station	
		City	District	Allocable cost	Call Distribution %	City	District	City	District	City	District
11	2,143,098	1,071,549		1,071,549	95.28%	1,020,995	50,554	97.64%	2.36%	2,092,544	50,554
12	1,071,549	535,775		535,775	99.83%	534,857	917	99.91%	0.09%	1,070,632	917
13	1,071,549		535,775	535,775	55.59%	297,848	237,926	27.80%	72.20%	297,848	773,701
14	1,071,549		535,775	535,775	24.59%	131,748	404,027	12.30%	87.70%	131,748	939,801
15	1,071,549		535,775	535,775	39.56%	211,955	323,820	19.78%	80.22%	211,955	859,594
16	1,071,549		535,775	535,775	91.46%	490,005	45,770	95.73%	4.27%	1,025,780	45,770
Total	7,500,844	2,143,098	1,607,324	3,750,422		2,687,408	1,063,014	64.40%	35.60%	4,830,507	2,670,338

Ambulance Budget Allocation

Variables/Assumptions:

Budget \$5,593,937 Location 50.00% Calls 50.00%

Stations:	2003-2004 Budget based on number of FFs	Allocation based on staffing location		Allocation based on aid calls				Total Percent Allocation by Station		Total Cost Allocation by Station	
		City	District	Allocable cost	Call Distribution %	City	District	City	District	City	District
11	1,598,268	799,134		799,134	99.02%	791,319	7,814	99.51%	0.49%	1,590,453	7,814
12	799,134	399,567		399,567	99.88%	399,091	476	99.94%	0.06%	798,658	476
13	799,134		399,567	399,567	59.15%	236,351	163,216	29.58%	70.42%	236,351	562,783
14	799,134		399,567	399,567	38.74%	154,787	244,780	19.37%	80.63%	154,787	644,347
15	799,134		399,567	399,567	36.96%	147,666	251,901	18.48%	81.52%	147,666	651,468
16	799,134		399,567	399,567	91.87%	367,066	32,501	95.93%	4.07%	766,633	32,501
Total	5,593,937	1,598,268	1,198,701	2,796,968		2,096,281	700,687	66.05%	33.95%	3,694,548	1,899,388

Attachment B

Page 6

7/13/2004

COS 2003 FINAL after negotiations
Worksheet "Split"

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT III: COST POOL ALLOCATION (50% - location and 50% - call distribution by type)

Facilities Budget Allocation
Variables/Assumptions:

Stations:	2003-2004 Actual Budget	Location		50.00% Calls		50.00%		Allocation based on total calls				Total Percent Allocation by Station		Total Cost Allocation by Station	
		Allocation based on FF staffing location		Allocable cost	Call Distribution %		Dollars		Total Percent Allocation by Station		Total Cost Allocation by Station				
		City	District		City	District	City	District	City	District	City	District			
11	150,233			75,117		75,117	97.69%	2.31%	73,378	1,739	98.84%	1.16%	148,494	1,739	
12	64,997			32,499		32,499	99.86%	0.14%	32,453	46	99.93%	0.07%	64,951	46	
13	64,324				32,162	32,162	57.71%	42.29%	18,562	13,600	28.86%	71.14%	18,562	45,762	
14	59,537				29,769	29,769	33.72%	66.28%	10,038	19,730	16.86%	83.14%	10,038	49,499	
15	65,329				32,665	32,665	37.99%	62.01%	12,410	20,255	19.00%	81.00%	12,410	52,919	
16	82,612			41,306		41,306	91.63%	8.37%	37,847	3,459	95.81%	4.19%	79,153	3,459	
Total	487,032			148,921	94,595	243,516			184,687	58,829	68.50%	31.50%	333,608	153,424	

Assumptions:

Budget allocated by number of Firefighters at each station
Each station will receive 1/2 of allocation based on location
The remaining 1/2 allocation is divided by percent of call distribution by type
The Maintenance Facility is not included, as it is based on Equipment Maintenance and Eastside Equipment Maintenance budget allocations.

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT IV: VEHICLE MAINTENANCE SCHEDULE

(For Apparatus: 50% by location and 50% by calls)

Fire maintenance budget (excluding Eastside Maintenance Contract)

\$165,372

50%

50%

To be split based
on call distribution

To be split based
on location

Apparatus

Year	Description	Apparatus	Ownership	District	City	Assumptions
1988	Sea 110' Aerial	9002	Combo	50%	50%	
1991	Sea 1500 Pumper	8011	Reserve	50%	50%	
1991	Sea 1500 Pumper	8012	City	50%	50%	
1994	E-One 1500 Pumper	8013	District	50%	50%	For Maintenance, the total budget \$165,372 was divided by total vehicles to get the average maintenance cost per vehicle.
1996	Darley Pumper	8014	City	50%	50%	
1996	Darley Pumper	8015	District	50%	50%	
2002	Pierce Pumper	8016	City	50%	50%	
2002	Pierce Pumper	8017	District	50%	50%	
1987	Ford Rescue	6003	Combo	50%	50%	
2000	Navistar Braun NW	7018	City	50%	50%	Combos and reserves are split 50%-50% by District and the City.
2000	Navistar Braun NW	7019	District	50%	50%	For other apparatus, it is done 50% - 50% (First 50% of the cost are allocated fully based on where they are located. The remaining 50% is based on calls - calculation at the bottom.)
2000	Ford/Braun NW - RMT	7020	District	50%	50%	
2003	Ford/Braun Rmt.	7021	City	50%	50%	
2003	Ford/Braun Rmt.	7022	District	50%	50%	
2003	Ford/Braun E-450 new	7023	City	50%	50%	
2003	Ford/Braun Rmt.	7024	Reserve	50%	50%	
16 vehicles						

Staff vehicles

1988	Chev Astro Van	1027	Combo	50%	50%	
1991	Ford E-350	6004	City Fire Investig.	0%	100%	
1993	Chev Lumina	1028	Staff (P)	10%	90%	For prevention, PIO and Emergency Coordinator, city takes 90% of the cost and the District takes 10%. 100% City for investigation.
1996	Ford Taurus	1031	Staff (Emer. P.C.)	10%	90%	
1997	Chev Lumina	1032	Staff (P)	10%	90%	
1997	Chev Lumina	1033	Staff (P)	10%	90%	
1997	Chev Lumina	1034	Staff (P)	10%	90%	
1998	Chev Suburban	1035	Resv. Batt 12/Combo	50%	50%	
1998	Ford Ranger	1036	Staff (P)	10%	90%	
1998	Ford Ranger	1037	Staff (P)	10%	90%	
1998	Chev Van	5004	Mechanic Combo	50%	50%	
1999	Ford Ranger	1038	Staff (P)	10%	90%	
2000	Chev Impala	1039	Staff (P)	10%	90%	
2000	Chev Impala	1040	Staff (Chief)	43%	57%	
2000	Chev Impala	1041	Staff (P)	10%	90%	For Admin vehicles, FF staffing % is used.
2001	Chev Impala	1042	Staff (P)	10%	90%	
2001	Ford Ranger	1043	Combo (util. pickup)	50%	50%	
2002	Ford Van	1044	PIO	10%	90%	
2002	Chev Blazer	1045	Staff (Chief)	43%	57%	
2002	Chev Blazer	1047	Staff (P)	10%	90%	
2002	Chev Blazer	1048	Staff (Chief)	43%	57%	
2003	Chev Suburban	1046	Combo (Batt 11)	50%	50%	

22 vehicles

Allocating location portion

1009%

2191%

43,892

95,369

Allocating call portion

600%

11%

89%

Total Call Distribution %

26,111

2,885

23,226

Mc

Total District	Total City
46,777	118,595
28.29%	71.71%

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT V: VEHICLE REPLACEMENT SCHEDULE

(For Apparatus: 50% by location and 50% by call type)

Year Apparatus	Description	Apparatus #	Estimated Service Years	Original Cost	at the end of 2004	Ownership	50.00% To be split based on call distribution		50.00% to be split based on location		City	Assumptions and notes
							%	\$	%	\$		
1988	See 1107 Aerial	9002	20	324,000	744,787	Combo						
1991	See 1500 Pumper	8011	15	225,000	442,482	Reserve						
1991	See 1500 Pumper	8012	15	225,000	442,482	City						
1994	E-One 1500 Pumper	8013	15	289,418	488,921	District	50.00%	221,241	50.00%	372,399	50.00%	372,399
1998	Darley Pumper	8014	15	300,000	454,850	City	50.00%	243,461	50.00%	221,241	50.00%	221,241
1998	Darley Pumper	8015	15	300,000	454,850	City	50.00%	227,425	50.00%	0	50.00%	0
2002	Pierce Pumper	8016	15	370,000	410,571	District	50.00%	227,425	50.00%	0	50.00%	0
2002	Pierce Pumper	8017	15	370,000	410,571	City	50.00%	205,286	50.00%	205,286	50.00%	205,286
1987	Ford Rescue	6003	15	127,237	308,106	District	50.00%	205,286	50.00%	0	50.00%	0
2000	Navistar Braun NW	7018	10	152,000	187,162	Combo	50.00%	93,581	50.00%	154,053	50.00%	154,053
2000	Navistar Braun NW	7019	10	152,000	187,162	City	50.00%	93,581	50.00%	0	50.00%	0
2000	Ford/Braun NW - RMT	7020	9	91,802	112,792	District	50.00%	56,396	50.00%	93,581	50.00%	93,581
2003	Ford/Braun Rmt.	7021	10	77,141	81,281	District	50.00%	40,630	50.00%	0	50.00%	0
2003	Ford/Braun Rmt.	7022	10	78,308	82,489	City	50.00%	41,245	50.00%	40,630	50.00%	40,630
2003	Ford/Braun E-450 new	7023	10	123,587	130,186	District	50.00%	65,093	50.00%	0	50.00%	0
2003	Ford/Braun Rmt.	7024	10	124,500	131,148	City	50.00%	65,093	50.00%	65,093	50.00%	65,093
16 vehicles					\$5,067,829							
Staff vehicles												
1988	Chev Astro Van	1027	sent to maintenance	14,332	32,948	Combo	50%	16,473	50%	16,473	50%	
1991	Ford E-350	6004	5	10,000	19,666	City Fire Investigation	0%	0	100%	19,666	100%	
1993	Chev Lumina	1028	10	13,372	23,699	Staff (P)	10%	2,370	90%	21,329	90%	10%-90% split on
1996	Ford Taurus	1031	10	15,868	23,768	Staff (Emergency P.C.)	10%	2,379	90%	21,407	90%	prevention,
1997	Chev Lumina	1032	10	15,963	23,019	Staff (P)	10%	2,302	90%	20,717	90%	emergency
1997	Chev Lumina	1033	10	15,963	23,019	Staff (P)	10%	2,302	90%	20,717	90%	coordinator and PIO.
1997	Chev Lumina	1034	10	15,963	23,019	Staff (P)	10%	2,302	90%	20,717	90%	100 City for
1998	Chev Suburban	1035	10	42,000	57,366	Reserve Batt 12/Combo	50%	28,693	50%	28,693	50%	investigation.
1998	Ford Ranger	1036	10	22,448	30,872	Staff (P)	10%	3,067	90%	27,605	90%	
1998	Ford Ranger	1037	10	22,518	30,767	Staff (P)	10%	3,077	90%	27,691	90%	
1998	Chev Van	5004	10	24,805	33,862	Mechanic Combo	50%	16,946	50%	16,946	50%	
1999	Ford Ranger	1038	10	23,043	29,889	Staff (P)	10%	2,989	90%	26,900	90%	
2000	Chev Impala	1039	10	22,839	27,878	Staff (P)	10%	2,788	90%	25,088	90%	
2000	Chev Impala	1040	10	22,757	28,021	Staff (Chief)	43%	12,009	57%	16,012	57%	Chief's car is based
2000	Chev Impala	1041	10	23,836	29,104	Staff (P)	10%	2,910	90%	26,193	90%	on staffing %.
2001	Chev Impala	1042	10	23,948	27,993	Staff (P)	10%	2,799	90%	25,194	90%	
2001	Ford Ranger	1043	10	24,845	29,041	Combo (utility pick-up)	50%	14,521	50%	14,521	50%	
2002	Ford Van	1044	10	37,329	41,422	PIO	10%	4,142	90%	37,280	90%	
2002	Chev Blazer	1045	10	26,882	29,808	Staff (Chief)	43%	12,689	57%	16,919	57%	
2002	Chev Blazer	1047	10	18,425	20,445	Staff (P)	10%	2,045	90%	18,401	90%	
2002	Chev Blazer	1048	10	18,425	20,445	Staff (Chief)	10%	2,045	90%	18,401	90%	
2003	Chev Suburban	1049	10	39,747	41,869	Combo (Battalion 11)	43%	11,682	57%	11,683	57%	
22 vehicles					\$847,564							
						Allocating location portion		1,720,848		1,847,158		
						Allocating call portion		1,720,848		190,114		
							11.05%			88.95%		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		
										84.35%		
										20,935		
										21,477,607		
										1,530,534		
										3,678,141		

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND

EXHIBIT VI: 2003-2004 OVERHEAD

Based on 2003-2004 User Fee Study

Allocation:								
Department/Fund	2003 - 2004 Budget		Primary Allocation		Secondary Allocation		Total Fire OH	Total Fire OH %
	Total	%	Total Fire	%	Total Fire	%		
Executive	971,201	10,662	1,098%	3,894	0.40%	14,556	0.06%	
Legislative	314,856	28,509	9.055%	21,814	6.93%	50,323	0.20%	
Finance	6,287,915	467,982	7.443%	258,429	4.11%	726,411	2.89%	
Legal	549,290	105,602	19.225%	12,632	2.30%	118,234	0.47%	
Human Resources	1,686,945	324,318	19.225%	82,818	4.91%	407,136	1.62%	
Street Maintenance	418,380	0	0.000%	0	0.00%	0	0.00%	
Building Maintenance	3,136,468	13,529	0.431%	525	0.02%	14,054	0.06%	
Lease Costs	2,270,140		0.000%	0	0.00%	0	0.00%	
Risk Management	1,986,779	249,633	12.565%	7,402	0.37%	257,035	1.02%	
Information Technology	4,005,147	449,195	11.215%	18,916	0.47%	468,111	1.86%	
Capital Equipment Reserve	3,512,526	281,947	8.027%	9,785	0.28%	291,732	1.16%	
Total	25,139,647	1,931,377	7.683%	416,215	1.66%	2,347,592	9.34%	

Assumptions:

Percentages are based on the 2003 - 2004 User Fee study done by FCS.

*The Fire Department share of the Lease Costs in the User Fee Study have been intentionally left out of this study, as it is considered a capital expense. Therefore, the total fire percentages do not agree with the FCS study.

ALS overhead is not included as it is not funded by the General Fund

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT VII: CAPITAL IMPROVEMENT PROJECTS

Based on 2003 - 2004 CIP Projects

Project	2003-2004 Budget	District #34 Percent	District #34 Cost	City Percent	City Cost	
Mobile Data Terminals	143,258	43.48%	62,289	56.52%	80,969	Based on vehicles to receive units
Records Management System	120,000	42.86%	51,429	57.14%	68,571	Based on number of Firefighters
Hose Tower	200,000	100.00%	200,000	0.00%	0	Based on location
Fire Equipment Reserve	400,000	35.55%	142,581	64.35%	257,419	Based on vehicle schedule model 2.
Diesel Exhaust Extraction System	5,034	0.00%	0	100.00%	5,034	ALS project
Aerial Ladder Truck	750,000	42.86%	321,429	57.14%	428,571	Based on number of firefighters
Fire Station Security	265,000	50.00%	132,500	50.00%	132,500	Equal amount at each station
Total	\$1,883,292	48.33%	\$910,227	51.67%	\$973,065	

Assumptions:
Percentages used in consultation with Fire Department

Attachment B: Hybrid Model (50% location and 50% calls)

COST OF SERVICES ANALYSIS 2003 - CITY OF REDMOND AND FIRE DISTRICT 34

EXHIBIT VIII: 2003 ASSESSED VALUATION

Based on 2003 King County Assessor's Office

<u>Entity</u>	<u>Assessed Valuation</u>	<u>Percent</u>
City of Redmond	\$8,572,917,629	75.33%
District #34	<u>2,807,874,479</u>	<u>24.67%</u>
Total AV	\$11,380,792,108	100.00%

Assumptions:

King Count uses AV for distribution of Emergency Medical Services revenue.
AV is a part of the City/District formula for allocating costs to revenue.

nc.

Attachment C - Overhead Allocation Analysis and Formula

Overhead

City of Redmond
Finance Department

What is the cost of running
Redmond city government for 2 years?

Basis

- 2003-04 Adopted Budget excluding ending fund balance
 - ✓ Direct Costs
 - ✓ Indirect Costs
- +
- Imputed lease costs of City-owned space not included in the budget

What is overhead?

- Overhead is regular operating expenses that support the direct services departments such as Fire. It includes such items as general maintenance and operation, space, computer, human resources, finance, legal support, and insurance. The numbers are based on the 2003 Overhead Study conducted by the Financial Consulting Solutions Group, an external consulting company.

Direct vs. Indirect Costs

- Which cost centers are considered direct vs. indirect?

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ✓ Direct Costs <ul style="list-style-type: none"> ■ Fire ■ Police ■ Planning ■ Public Works ■ Parks ■ Utilities ■ ALS | <ul style="list-style-type: none"> ✓ Indirect Costs <ul style="list-style-type: none"> ■ Executive ■ Legislative ■ Finance and Information Technology ■ Legal ■ Human Resources ■ Capital Equipment Reserve ■ Risk Management ■ Street Maintenance ■ Building Maintenance ■ Lease Cost |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

City-wide Indirect Cost Pool

Indirect Services	Allocable Costs
Executive	\$ 971,201
Legislative	314,856
Finance	6,287,915
Legal	549,290
Human Resources	1,686,945
Capital Equipment Reserve	3,512,526
Risk Management	1,986,779
Information Technology	4,005,147
Street Maintenance	418,380
Building Maintenance	3,136,468
Lease Cost	2,270,140
Total Indirect Costs	\$ 25,139,647

How are indirect costs allocated to the direct service groups?

- Indirect cost pool was allocated to departments based on workload measures which drive the costs. The table below lists the basis for allocating costs associated with each indirect cost pool.

DEPARTMENT	COST POOL	ALLOCATION BASIS
Executive	Total Department	Estimated Staff Time
Legislative	Total Department	Budget plus CIP Budget

Mc.

How are indirect costs allocated to the direct service groups?

DEPARTMENT	COST POOL	ALLOCATION BASIS
Finance	Administration Overhead City Clerk/Records Services City Clerk/Document Imaging Hearing Examiner Election Services Central Purchasing Food Assets Traffic Violations Bureau General Accounting Payroll Utility Billing Customer Service Business Licensing CIP Budget Development Financial Analysis Reprographics	Weighted Average of Other Finance Areas Weighted Average of Other Finance Areas Partly Assigned/Partly Excluded Partly Assigned/Partly Excluded Assigned to Planning/Partly Excluded Excluded Budget and CIP Budgets Budget and CIP Budgets Assigned to Police Budget FTE's Assigned to City W/WW, SW by accounts Budget Excluded Capital Budget Budget Budget Estimated Staff Time

How are indirect costs allocated to the direct service groups?

DEPARTMENT	COST POOL	ALLOCATION BASIS
Legal	Prosecution Services Other Legal Personnel Legal Oversight	Excluded FTE's FTE's Weighted Average of Other Legal Areas
Human Resources	Total Department	FTE's
Street Maintenance	A portion of the Department	Assigned to Stormwater

How are indirect costs allocated to the direct service groups?

DEPARTMENT	COST POOL	ALLOCATION BASIS
Capital Equipment Reserve	Central Purchasing Data Processing Computer Acquisition Fire Suppression Comm./Disp. Com Oper. Department Admin Public/Rec Admin Facilities Routine Maintenance Financial Management System Copier Server Keph/Network Firewall Fire Protection Radio Console Arms Fording Buildings & Structures Machinery & Equipment	Assigned to Finance PC's PC's Assigned to Fire Assigned to Police Assigned to Public Works Assigned to Parks Assigned to Parks Assigned to Finance Assigned to Finance PC's Assigned to Fire Assigned to Police Assigned to Parks Assigned to Parks Assigned to Parks

How are indirect costs allocated to the direct service groups?

DEPARTMENT	COST POOL	ALLOCATION BASIS
Building Maintenance	Building Contingency Facilities Maintenance Admin	Share of occupied square footage Share of occupied square footage
Lease Cost	Per Facility	Occupied Square Footage per Facility
Information Technology	Total Department	PC's
Risk Management	Total Department	Assigned based on claims history

Fire Dept's portion of the indirect costs

Indirect Services	2003 - 2004 Budget	Fire Dept Overhead	% allocated to Fire Dept
Executive	\$ 971,201	\$ 14,556	1.50%
Legislative	314,856	50,323	15.98%
Finance	6,287,915	726,411	11.55%
Legal	549,290	118,234	21.52%
Human Resources	1,886,945	407,136	24.13%
Street Maintenance	418,380	0	0.00%
Building Maintenance	3,136,468	14,054	0.45%
Lease Costs	2,270,140	0	0.00%
Risk Management	1,986,779	257,035	12.94%
Information Technology	4,005,147	468,111	11.69%
Capital Equipment Reserve	3,512,526	291,732	8.31%
Total	\$ 25,139,647	\$ 2,347,592	9.34%

What is the District's portion?

- The Fire Dept overhead was allocated to City and District based on total staffing except for legislative which was fully allocated to the City.

Indirect Services	2003 - 2004 Total Overhead	Fire Dept Overhead	FD34 \$ % allocated	City \$ % allocated
Executive	\$ 971,201	\$ 14,556	\$ 5,403 37.12%	\$ 9,153 62.88%
Legislative	314,856	50,323	- 0.00%	50,323 100.00%
Finance	6,287,915	726,411	269,618 37.12%	456,793 62.88%
Legal	549,290	118,234	43,864 37.12%	74,369 62.88%
Human Resources	1,886,945	407,136	151,114 37.12%	256,022 62.88%
Street Maintenance	418,380	-	- 37.12%	- 62.88%
Building Maintenance	3,136,468	14,054	5,216 37.12%	8,838 62.88%
Lease Costs	2,270,140	-	- 37.12%	- 62.88%
Risk Management	1,986,779	257,035	95,402 37.12%	161,633 62.88%
Information Technology	4,005,147	468,111	173,746 37.12%	294,365 62.88%
Capital Equipment Reserve	3,512,526	291,732	106,281 37.12%	185,451 62.88%
Total	\$ 25,139,647	\$ 2,347,592	\$ 852,885	\$ 1,494,927
% of indirect cost pool		9.34%	3.39%	5.85%

he.

Attachment D – Credit Calculation Formula – District Administrative Position

He.

h.

Attachment D: Credit for District's administrative assistant position

	2003	2004	2003-04 Biennium
Budgeted Salary and benefits	42,689	47,851	90,540
90% credit	38,420	43,066	81,486

The district will receive a credit against their payment/expenses that is equal to 90% of this employee's salary and benefits.
Assumes that the employee spends 90% of her time on City's work.
Budget numbers per Anne Carlson's e-mail on 6/29/04.
The employee is on District's payroll and will continue to be a District employee for 05-06.

Ann H. G. 7/22/04 _____
Fire District 34 Initial Date

gc 9/2/04 _____
City of Redmond Initial Date

Attachment D

Attachment E – Credit Calculation Formula – BLS and ALS Funds

MG.

Attachment E: Allocation of the BLS EMS levy to City and District as a credit against the expenses

Budgeted BLS allocation (\$400,000 per year)

	2003		2004		2003-04 Biennium	
	<u>District</u>	<u>City</u>	<u>District</u>	<u>City</u>	<u>District</u>	<u>City</u>
50% based on AV (\$200,000)	2,807,874.479 24.67% 49,344	8,572,917.629 75.33% 150,656	3,094,902.338 26.05% 52,094	8,787,158.266 73.95% 147,906	101,438	298,562
50% based on calls (\$200,000)	616 10.84% 21,683	5,066 89.16% 178,317	812 13.79% 27,586	5075 86.21% 172,414	49,269	350,731
Total	\$ 71,027	\$ 328,973	\$ 79,680	\$ 320,320	\$ 150,707	\$ 649,293

District will receive a credit against its payment that is equal to its share of the EMS levy. The share is calculated in the same way King County allocates this levy.

According to Cynthia Bradshaw at King County, BLS allocation is now based on 2 factors: 50% AV and 50% call volume - 6/24/04.

Call figures are from City's Record Management System. 2003 credit is based on the 2002 actual call volume and 2004 credit is based on the 2003 actual call volume from the RMS.

AV are based on the year's published AV per King County Assessor's Office.

Mr. H. G.
Fire District 34 Initial 7/22/04 Date

JC
City of Redmond Initial 7/2/04 Date